

AN ANALYSIS OF THE EMPLOYEES' PROVIDENT FUND, FAMILY PENSION AND DEPOSIT-LINKED INSURANCE SCHEMES

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The Scheme of Compulsory Contributory Provident Fund, framed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 completed 25 years of its existence. The introduction of Employees' Family Pension Scheme in 1971 and Employees' Deposit-Linked Insurance Scheme in 1976 are important landmarks in the progress of social security measures and in the history of Employees' Provident Fund Organisation in our country. This paper seeks to analyse the progress and contribution made by these three Schemes under the administrative set-up of the Employees' Provident Fund Organisation and also suggests various measures for their overall improvement.

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The Employees' Provident funds Scheme, 1952

The Employees' Provident Fund Act 1952 was enacted to provide substantial security and timely monetary assistance to industrial employees and their families. A great majority of wage earners have neither the capacity nor the foresight to save during the period of their working life. Left to themselves very few employees would help and encourage their employees to save for the rainy day. This Scheme has provided protection to employees and their dependents in case of old age, disablement, early death of the bread-winner and in some other contingencies.

Coverage: The Act extends to the whole of India except the state of Jammu and Kashmir. The Act is applicable to factories and other establishments, engaged in specified industries, which have completed 3 years of their existence if they employ 50 or more persons or 5 years of their existence if they employ between 20 and 49 persons. No distinction is made between establishments situated in the private sector and those in the public sector. However, the Act does not apply to co-operative societies employing less than 50 persons and working without the aid of power. Permanent employees drawing pay not exceeding Rs. 1,600 per month are eligible for membership of the fund ir-

respective of their length of service. The period of service for eligibility to become a member of the fund is 6 months' continuous service or 120 days of actual work during a period of 6 months or less or on becoming permanent, whichever is earlier. From its modest beginning in 1952 with 6 industries and 1.2 million subscribers, it has now spread out to 153 industries/classes of establishments affording shelter to 93.14 lakhs of subscribers. For the first time, the provisions of the Act have been extended to unorganised sector with the coverage of bidi workers in the bidi industry. The details of coverage of the Act from 1970 to 1978 are given in Table 1.

Contributions: Except in the case of certain specified industries and classes of establishments, the statutory rate of provident fund contributions both for the employees and the employers is $6\frac{1}{4}$ per cent of 'pay' i.e. basic wages, dearness allowance including cash value of food concession and retaining allowance, if any. The Central Government have been empowered to enhance it to 8 per cent for any industry/class of establishment. The number of establishments to which the enhanced rate of 8 per cent was made applicable was 21,458 and the number of subscribers who contributed at that rate was 64.74 lakhs as on 31st March 1978. The total amount of Provident fund contributions collected in both the exempted

TABLE 1
COVERAGE OF THE EMPLOYEES' PROVIDENT FUNDS SCHEME
(1970 to 1978)

Year ending	No. of establishments covered			No. of subscribers in lakhs		
	Exempted	Unexempted	Total	Exempted	Unexempted	Total
31-3-1970	2,081	44,423	46,504	20.74	35.30	56.05
31-3-1971	2,166	47,640	49,806	22.08	37.82	59.90
31-3-1972	2,210	50,559	52,769	22.94	39.57	62.51
31-3-1973	2,430	54,509	56,939	24.76	42.17	66.93
31-3-1974	2,508	57,931	60,439	25.70	44.00	69.70
31-3-1975	2,590	62,122	64,712	27.98	48.05	76.03
31-3-1976	2,738	64,616	67,354	29.69	48.75	78.45
31-3-1977	2,853	72,546	75,399	31.16	52.13	83.29
31-3-1978	3,034	78,788	81,822	32.54	60.60	93.14

Source: Annual Reports of the Employees' Provident Fund Organisation for the respective years.

and unexempted establishments stood at Rs. 5,185.96 crores since the inception of the Scheme.

Investments: The total investment of provident fund accumulations amounted to Rs. 3,518.74 crores as on 31st March 1977. Table 2 indicates an analysis of the investments made during the year 1976-77.

TABLE 2

INVESTMENTS MADE IN EXEMPTED AND UNEXEMPTED ESTABLISHMENTS (1976-77)

Investment made in	Exempted	Unexempted
	(In crores of Rupees)	
(a) Central Government Securities	76.89	62.76
(b) State Government and Central Government Guaranteed Securities	61.54	64.83
(c) Post Office Time Deposits and Small Savings	161.73	78.88
(d) Special Deposits	43.58	52.79
Total	343.74	259.26

Source: 24th Annual Report 1976-77.

Realisation of Provident Fund Arrears: The total amount of provident fund contribution in arrears amounted to Rs. 1827.25 lakhs as on 31st March 1977. Besides, this, an amount of Rs. 50.90 lakhs was due on account of administrative charges and Rs. 1,017.99 lakhs towards penal damages. Out of the total arrears of Rs. 18.27 crores, 6 industries, viz., textile, electrical, mechanical and general engineering, electricity, tea and tea plantation, newspaper establishments and trading and commercial establishments alone accounted for Rs. 14.10 crores which works out to 76 per cent of the total arrears. The P.F. contribution in arrears which was of the tune of Rs. 20.66 crores in 1971-72 came down to Rs. 18.27 crores by the end of March 1977. The arrears position of provident fund is given in Table 3.

Action Against Defaulting Establishments: The enforcement of the Act creates many problems in the case of defaulting establishments. The most common defaults noticed in exempted establishments were failure to deposit the funds with the Board of Trustees, non-investment of the investible

TABLE 3
ARREARS OF PROVIDENT FUND CONTRIBUTIONS
(1972 to 1977)

Year ending (1)	P.F. contributions received (Rs. in crores) (2)	P. F. contributions in arrears (Rs. in crores) (3)	Recovery cases instituted (4)	Amount involved (Rs. in lakhs) (5)	Amount received (Rs. in lakhs) (6)
31-3-1972	359.42	20.66	4359	374.10	205.60
31-3-1973	387.47	19.61	4891	545.45	363.14
31-3-1974	1082.54	19.06	3052	279.04	518.65
31-3-1975	1256.43	19.34	2885	853.08	130.98
31-3-1976	1467.52	20.64	4285	1140.43	995.64
31-3-1977	1685.17	18.27	4945	484.84	503.23

Source: Annual Reports for the respective years.

funds in time, non-payment of the monthly inspection charges and non-submission of the monthly returns to the regional office. The National Commission on Labour had also noticed that "the recovery of arrears of the provident fund is posing a problem to the administration". The employers who default in the remittance of employees contribution 'are prosecuted under sections 406/409 of the Indian Penal Code. During the year 1977, recovery cases of 4,945 were instituted involving a sum of Rs. 484.84 lakhs. An amount of Rs. 503.23 lakhs was also realised through the recovery process. Against the defaulting employers, 14678 prosecution cases were launched during the year 1977. Out of 3,132 public sector establishments, 478 establishments did not comply with the provisions of the Scheme as on 31st March, 1977. The number of complaints filed in 1976-77 were 240 under sections 406/409 of the Indian Penal Code against the employers of defaulting unexempted establishments who failed to remit the workers' share of contribution deducted from their wages, bringing the total number of complaints filed so far to 846. A sum of Rs. 36.64 lakhs and Rs. 1.22 lakhs were collected as damages on belated

payment of provident fund contributions and administrative and inspection charges respectively during the same year. Under the provisions of the Act, so far 351 employers were imprisoned for default in the payment of provident fund realised from the employees.

Advances: A statement indicating the number of cases in which advances were sanctioned, the purpose of the advances and the amount paid from 1972 to 1977 is given in table No. 4.

Refunds and Claims: The most important aspect of the Scheme from the workers' point of view is that of claims settlement. Under the Scheme, a member could withdraw the full amount standing to his credit in the fund in the following events:

- (i) Retirement from service after attaining the age of 55.
- (ii) Retirement on account of permanent and total incapacity.
- (iii) Migration from India for permanent settlement abroad.
- (iv) Termination of service in the course of mass retrenchment (involving 3 or more persons).

During the year 1976-77, a sum of Rs. 80.53 crores in respect of 3.25 lakhs claims was paid as against Rs. 67.10 crores in respect of 2.89 lakhs claims during 1975-76. The claims settled within 10 days was 58 per cent in 1975-76 as compared to 56 per cent during the previous year and 40 per cent in 1974-75. Till the end of March 1977, a total sum of Rs. 482.41 crores has been paid out of this fund in respect of 38.77 lakhs claims. The categorywise particulars of the claims settled from 1971-72 to 1976-77 are given in table No. 5.

Nomination: The nomination form is to be filled out in duplicate one of which the member will keep. The exemption limit for production of estate duty clearance certificate by the legal heirs of the deceased member has been increased recently from Rs. 10,000 to Rs. 25,000 by issue of suitable directions from the Ministry of Finance, Central Board of Direct Taxes.

Reserve and Forfeiture Account: Where the employers' contribution is not payable to the member in full because of the total period of membership is less than 15 years, the unpaid part together with interest thereon is credited to the Reserve and Forfeiture Account of the Fund. A sum of Rs. 264.36 lakhs was forfeited during the year 1976-77 as against Rs. 208.94 lakhs during 1975-76.

Special Reserve Fund and Death Relief Fund: One of the welcome features of the Scheme was the creation of a Special Reserve Fund in 1960 and Death Relief Fund in 1964. Assistance from the Special Reserve Fund is made available to the outgoing members or their nominees/heirs if the employers failed to remit to the Fund whole or part of the provident fund contributions. The payment is limited only to the extent of the employees' share of contribution recovered from the wages by the employer but not remitted to the fund

together with interest thereon. During the year, a sum of Rs. 4.59 lakhs was paid out of this fund bringing the total amount paid, since the institution of this fund to Rs. 120.96 lakhs. The Death Relief Fund assures a minimum sum of Rs. 1000 to the nominee of a deceased member. Till the end of March 1977, a total sum of Rs. 92.03 lakhs had been paid out of this fund. A sum of Rs. 6.19 lakhs was paid during the year 1977 in 1842 cases as against Rs. 7.31 lakhs paid in 2,019 cases in 1975-76.

Annual Statements of Account: During the year 1977, 81.93 lakhs annual statements of account were issued as compared to 69.70 lakhs issued during the previous year, leaving a balance of Rs. 17.64 lakhs statements to be issued at the end of the year.

THE EMPLOYEES' FAMILY PENSION SCHEME 1971

With a view to providing long-term financial security to the families in the events of the members' premature death while in service, a Scheme of Family Pension-cum-Life Assurance came into force with effect from 1st March 1971. The Scheme is compulsory for employees who have joined the Employees' Provident Fund after 1-3-71 and optional for others. The Scheme provides for the creation of a Family Pension Fund by diverting to it a part of the contribution to the Provident Fund representing $1\frac{1}{6}$ per cent employee's 'pay' i.e. basic wages, dearness allowance including cash value of food concession and retaining allowance, if any, along with an equivalent amount of $1\frac{1}{6}$ per cent from and out of the employer's contribution. To this amount, the Central Government also contributes at $1\frac{1}{6}$ per cent of the pay of the member. Out of this fund so set up.

TABLE 4

COMPARATIVE STATEMENT OF NON-REFUNDABLE ADVANCES PAID (1972-73 TO 1976-77)

	No. of Cases					Amount paid (Rs. in lakhs)				
	1972-73	1973-74	1974-75	1975-76	1976-77	1972-73	1973-74	1974-75	1975-76	1976-77
1. Financing of Life Insurance Policies ...	53,314	54,139	1,08,775	53,169	50,439	71.21	75.83	77.70	83.91	82.56
2. House building, etc. ...	8,301	9,340	11,020	11,944	12,868	152.97	166.29	215.08	288.80	311.96
3. Purchasing shares of Consumer's Co-operative/Credit/Housing Societies ...	467	767	1,046	485	152	0.12	0.23	0.41	0.18	0.78
4. During temporary closure of establishments ...	27,211	13,805	6,945	19,393	30,053	75.75	64.76	24.16	116.43	125.39
5. Illness of members/family members ...	6,056	5,050	6,723	8,284	7,135	31.81	28.67	42.97	66.99	60.77
6. [Daughter's*] marriage(s) and post-matriculation education of children ...	29,215	37,357	27,386	50,576	48,140	255.22	261.55	268.86	555.22	618.96
7. Damages to movable and immovable property of a member due to calamity of exceptional nature ...	1,302	9,849	196	16,963	59,765	1.98	18.60	0.30	30.68	126.15
8. Unemployment relief to individual retrenchee members ...	168	181	54	1	18	0.92	1.25	0.36	0.01	0.08
9. Cut in the supply of electricity to the factory/establishment ...	—	54,030	4,776	14,248	96	—	91.80	8.68	28.70	0.26
Total	1,26,034	1,84,518	1,66,921	1,75,063	2,08,666	589.98	708.98	638.52	1,170.92	1326.91

Source: Annual Reports for the respective years.

* Deleted as per Employees' Provident Funds (Third Amendment) Scheme, 1978. (Notification No. GSR 1457, dated new Delhi, the 16th November, 1978)

TABLE 5

DETAILS OF CLAIMS SETTLED AND AMOUNT PAID (1972 TO 1977)

Category	No. of claims settled					Amount paid (Rupees in lakhs)				
	1972-73	1973-74	1974-75	1975-76	1976-77	1972-73	1973-74	1974-75	1975-76	1976-77
(i) Death	11,890	11,910	12,449	17,618	18,774	294.29	316.44	345.69	520.13	598.68
(ii) Superannuation	17,383	18,642	19,434	27,910	33,382	665.89	810.04	918.30	1428.91	1773.07
(iii) Permanent invalidation	4,595	4,121	4,058	5,067	6,307	105.23	124.68	112.81	184.19	281.42
(iv) Resignation/Termination of services	1,24,659	1,23,646	1,26,999	1,61,609	186,652	1486.89	1,808.58	2,202.28	3,080.64	3840.96
(v) Retrenchment	45,105	44,450	47,341	70,090	71,855	666.13	665.94	848.47	1,354.28	1342.79
(vi) Dismissal	2,219	1,608	1,603	2,580	2,996	26.05	32.60	35.64	44.31	70.31
(vii) Migration	456	515	684	983	1,756	18.13	17.69	96.99	32.04	51.12
(viii) Others	2,064	2,998	3,897	3,274	2,884	30.82	29.34	68.11	65.11	95.12
Total	2,08,371	2,07,890	2,16,465	2,89,131	3,24,606	3,293.43	3805.31	4,568.29	6,709.61	8053.47

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Source: Annual Reports for the respective years.

the family pension and other benefits are payable at prescribed scales to the family members of the employees who die while in service before attaining the age of retirement, that is, 60 years. After retirement of the member no pension is payable except a lump sum maximum amount of Rs. 4,000/-, the actual amount depending upon the age of entry into the Scheme. The scheme, however, has an insurance element since in the event of an employee's death his family gets a lump sum of Rs. 1,000/- as life assurance benefit in addition to the pension irrespective of the amount credited to his fund. In case of cessation of membership before attaining the age of 60 years for reasons other than death, a substantial withdrawal benefit shall accrue to the member of the Family Pension Fund.

There were 42.46 lakhs members of the Family Pension Scheme as on 31st March 1978. During the year 1977, a sum of Rs. 27.43 crores was collected by way of family pension contributions bringing the total amount received upto 31st March, 1977 to Rs. 81.61 crores. A sum of Rs. 58.57 lakhs was in arrears towards family pension contributions from the defaulting establishments. As many as 3839 prosecution cases under section 14 of the Act and 2268 recovery cases under section 8 of the Act have been filed against these defaulting establishments during the year 1976-77. The total amount paid out of this fund upto the end of March 1977 was Rs. 107.11 lakhs in respect of 1,02,748 claims. The categorywise settlement during the year 1976 is given in table 6.

THE EMPLOYEES' DEPOSIT-LINKED
INSURANCE SCHEME, 1976

The Scheme came into force from 1st August, 1976. It is applicable to all factories establishments to which the Employees'

TABLE 6
CATEGORY-WISE SETTLEMENT OF FAMILY PENSION
DURING THE YEAR 1976

Sr. No. (1)	Benefit (2)	No. of claims (3)	Amount paid (4)
			(Rs. in lakhs)
(1)	Family Pension Benefit	179	0.12
(2)	Life Assurance Benefit	179	0.51
(3)	Retirement Benefit	141	0.82
(4)	Withdrawal Benefit	16,883	18.36
Total		17,382	19.81

Source: Annual Report 1975-76.

Provident Funds and Miscellaneous Provisions Act, 1952 applies. All the provident fund member-employees both in the exempted and unexempted establishments are covered under this Scheme. The employers and the Central Government are required to pay contributions to the Insurance Fund at the rate of 0.5 per cent and 0.25 per cent respectively of the basic wages, dearness allowance including cash value of food concession and retaining allowance, if any, of the pay in respect of the covered employees. In addition to this, the employers of all covered establishments are required to pay administrative charges to the Insurance Fund, at the rate of 0.1 per cent of the pay drawn by the employee-members for meeting the administrative expenses. The Central Government also meets partly the expenses in connection with the administration of the Insurance Scheme by paying into the fund an amount at the rate of 0.05 per cent of the pay drawn by the employee-members. Thus the special feature of this scheme is that the members are not required to contribute to the Insurance Fund; only the employers

and the Government are required to pay contributions. Under the Scheme, the nominees/members of the family of employees of covered establishments will get in the event of the death of an employee while in service an additional amount equal to the average balance in the provident fund account of the deceased during the preceding three years, if such average balance was not below Rs. 1,000. The maximum amount of benefits payable under the Scheme is, however, extended to Rs. 10,000.

There is provision in the Scheme for exemption of factories/establishments which have an Insurance Scheme conferring more benefits than those provided under this statutory Scheme, if a majority of the employees are in favour of such exemption. Subject to certain conditions, individual employees or class of employees may also be granted exemption. Under this Scheme, contributions and administrative charges amounting to Rs. 7.17 crores and Rs. 1.51 crores respectively have been received from the employers and an amount of Rs. 2.87 lakhs has been paid against 34 claims as on 31st March, 1977.

The Implementation Machinery: The Employees' Provident Fund Organisation is now in charge of three important Schemes, viz., the Employees' Provident Funds Scheme, the Employees' Family Pension Scheme and the Employees' Deposit-Linked Insurance Scheme. These three Schemes are administered by a Tripartite Board of Trustees, a body corporate, consisting of a Government-nominated Chairman, nominees of the Central and State Governments and Employees' and Employers' organizations. The Central Provident Fund Commissioner is the Chief Executive Officer of the organization and Secretary to the Central Board of Trustees. He is assisted by Regional Provident Fund Commissioners, one in each State and in

Delhi. The Regional Committees advise the Central Board on matters connected with the administration of the Scheme in their respective states. Eleven Sub-Regional Provident Fund Offices have also been opened in some regions and it is proposed to open eight more in various states to render better services to the subscribers of the fund. The authorised strength of the officers and staff of the E.P.F. organisation during the year 1977 was 7,495 as against 6,324 in the previous year. The number of officers and staff in position was 6,884 as on 31st March, 1977. The average number of inspections per inspector per month was 47 during the year 1976-77. Under the rules, the inspector has to visit each unit at least once in four months i.e. thrice a year. The administrative and allied expenditure is met from special levies, called administrative and inspection charges, collected from the employers of unexempted and exempted establishments at the rates of 0.37 per cent and 0.09 per cent respectively of 'pay' of the members. The external audit of the fund is conducted by the Comptroller and Auditor-General of India through the various Accountants-General.

A Conference of the Regional Provident Fund Commissioners was held at New Delhi on 16th and 17th September, 1976 to discuss various ways and means to render quick and efficient service to the members. The important decision taken and the recommendations made in the Conference by the Regional Commissioners are given below:

(1) The Act should be added to the Schedule of Economic Offences (Inapplicability of Limitations) Act, 1974 particularly as some courts are now of the view that prosecution under the Employees' Provident Funds and Miscellaneous Provisions Act comes, within the limitations

provisions of the Criminal Procedural Code.

(ii) Keeping in view that a large number of writ petitions have been filed against the organization and the fact that stay was granted in most of the cases liberally, it was recommended that each Regional Office as well as the Central Office should be provided with a legal cell and a full time Legal Adviser at the headquarters of the organisation. The Commissioners also felt that it will be very necessary to have a panel of lawyers, independent of the standing government counsels of the Central Government at the various headquarters as the standing Government counsels could not pay much attention to the cases of Employees' Provident Fund Organisation as they were otherwise heavily overburdened.

(viii) The Commissioners recommended that the law may be suitably amended so that the claimants would not have to spend a lot of time and money in obtaining the Estate Duty Clearance Certificates.

(iv) The Commissioners also felt that the existing pattern of investment should be further liberalised with a view to realising better yield therefrom, which in turn would be utilized to credit higher rate of interest to the members.

(v) The Commissioners also considered in detail the proposal regarding issue of pass book folders instead of statements of accounts and recommended that instead of the present long slip called the annual statements of accounts in Form No. 23, a pass book folder containing the full details of the member, name of the establishment, account No. and details of contributions, particulars of nominations made etc., should be introduced.

(vi) The Commissioners recommended that the procedure for withdrawal and grant of advances should be simplified.

(vii) The Commissioners also recom-

mended that the Central Provident Fund Commissioner should be empowered to cover the establishment under section 1(4) of the Act by the issue of a simple order and the Government may be approached to amend the Act suitably.

(viii) The Commissioners also recommended that a post of Director of Personnel-cum-Training may be created to handle staff matters and for imparting training to the employees at the time of initial recruitment and also at the intermediate levels.

The following are some of the recent steps initiated by the Government to benefit the provident fund subscribers and to gear up the working of the Employees' Provident Fund Organization:

1. The interest rate on provident fund is increased from the existing 8 per cent to 8.25 per cent for the current financial year in order to give a reasonable yield on the people's money. The provident fund organisation has also granted bonus interest of $\frac{1}{2}$ per cent to those who have not withdrawn money from their account during 1976-77 and 1977-78.

2. Vigilance cells have been set up to monitor the working of the Provident Fund Offices and establishments and to check corruption and defalcation of funds.

3. Pass book system has been proposed.

4. A training cell and an internal study unit, headed by the Director of Management, to distribute the work on scientific lines have been introduced.

5. A special squad of inspectors under the Central Provident Fund Commissioner have been pressed into service to carry out surprise checks in various establishments.

6. Sub-Regional Provident Fund Offices have been opened in Amritsar, Asansol, Rajkot, Raipur, Ranchi, Coimbatore and, Varanasi to meet increasing responsibilities.

7. Necessary steps have been taken to expedite the presentation of annual statements from the various Regional Offices.

8. The Centre directed the State Governments to set up special courts to realize provident fund arrears and penalise the defaulting employers. The amount runs into crores and the Act at present does not provide for recovery of dues as arrears of land revenue from the exempted establishments. However, the union Government proposes to amend the Act in this regard.

9. The establishments exempted under section 17 of the Act have to deposit the provident fund contributions with their own Board of Trustees for investment notified by the Central Government from time to time. In case of violation of this condition, the exemption has been cancelled in a number of cases.

Suggestions for Improvement

Some of the management officials, trade unionists and enforcement authorities under the Act, when interviewed, have offered the following suggestions for improvement of the Scheme:

1. An intensive drive should be made to bring within the purview of the Act all coverable establishments to afford the benefit of contributory provident fund to the maximum number of employees employed in those establishments.

2. The staff position of the organisation as a whole is unsatisfactory. The inspection machinery needs to be considerably strengthened for effective enforcement and extension of the Scheme.

3. The percentage of increase in defaulting factories needs to be checked effectively. Strict enforcement of the Act and deterrent penalties in respect of habitual and economically sound defaulters should be resorted to. All out efforts should be

made to secure compliance from the non-complying establishments both in public and private sector.

4. Special Employees' Provident Fund Courts may be constituted on the lines of the Employees' State Insurance Courts for adjudication of cases relating to provident fund.

5. In unexempted units, the sanctioning of advances and settlement of claims are made by the Regional Provident Fund offices. It involves considerable procedural delays. It needs to be minimised and the procedure for grant of advances is to be simplified for effective functioning of the Scheme,

6. The rate of interest on EPF deposits is lower as compared to the bank rate. Consequent upon inflation there is erosion in real value of deposits in provident fund. So the rate of interest on these deposits should be brought on a par with bank rate or alternatively some additional benefits, besides income tax, should be given to the subscribers in order to make good the loss suffered by them.

7. The delay in investment of the provident fund accumulations is a normal feature in many of the exempted establishments. Necessary steps should be taken to deposit in time the deducted share of employees along with that of the employers so that the delay in non-investment of provident fund money and resultant drop in the quantum of interest to be credited in the account of the subscriber could be avoided.

8. The word "family" under the Employees' Family Pension Scheme needs to be amended so as to include dependant parents under the definition. If an unmarried person dies, his dependant parents do not get any pension under the existing Scheme.

9. The present rate of minimum and maximum amount of family pension benefit should be raised considerably.

10. The employees usually treat the provident fund on a par with savings bank account and withdraw money in the form of advances on slightest pretext. In order to check this tendency, they should be made aware of the various principles of social security and spirit behind the EPF Scheme.

11. There should be regular programmes of education, training and refresher courses for the staff and administrative personnel of the Provident Fund Organization relating to the philosophy and application of social security principles.

12. Usually, unmarried employee members nominate their dependant parents to receive provident fund accumulations. But due to one reason or the other, they fail to make necessary changes in nomination after marriage. It deprives the deceased

member's wife and children from getting provident fund benefit. Therefore, a provision should be made in the Scheme that in such cases provident fund accumulations should be shared equally by the nominee concerned with the deceased member's wife and children.

13. The following recommendations of the National Commission on labour should be implemented: (a) The Commission has suggested extension of the Scheme to establishments employing less than 20 persons. (b) The minimum rate of 6 $\frac{1}{4}$ per cent should be made applicable to units employing 10 to 20 employees and wherever the present rate of contribution is 6 $\frac{1}{4}$ per cent it should be raised to 8 per cent and where the existing rate of contribution is 8 per cent, it should be raised to 10 per cent.

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